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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of ~~FEDERAL COMMUNICATIONS COMMISSION~~  
OFFICE OF THE SECRETARY

TRUTH -IN-BILLING  
AND BILLING FORMAT

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CC Docket No. 98-170

To: The Commission

COMMENTS

Project Mutual Telephone Cooperative Association ("PMT"), by its attorneys and pursuant to Section 1.415 of the Commission's rules, respectfully submits these Comments in response to the Notice of Proposed Rulemaking In the Matter of Truth-In-Billing and Billing Format, released for comment on September 17, 1998 (CC Docket 98-170) (hereinafter "NPRM").

Background

1. PMT is a cooperative corporation with offices in Rupert, Idaho. PMT provides local exchange service to approximately 8,500 subscribers in six exchange areas in rural southern Idaho.
2. As a local exchange carrier ("LEC") which serves rural communities, PMT's interest in this matter is based upon its concern that the billing standards proposed by the Commission will be unduly burdensome to rural LECs and be counterproductive to the interests of consumers.

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**LECs Which Offer a Consolidated Bill as a Convenience to LEC Customers  
Will Discontinue Such Services if New Rules Impose Burdensome Obligations**

3. The Commission's desire to promote a better customer understanding of the charges which appear on telephone bills is meritorious. However, PMT respectfully urges the Commission not to mandate changes in the form of new rules, but rather to issue guidelines which carriers may implement depending upon the capabilities of their billing systems, their experience with customer relations and customer inquiries, and their limited ability to interface efficiently with billing aggregators and other service providers when billing is performed for such entities.

4. The NPRM refers to proposals by NARUC and the National Consumers League that each charge on a consumer's telephone bill be accompanied by "a brief, clear, plain language description of the services rendered."<sup>1</sup> The Commission also seeks comment on what other information should be provided to consumers if a charge relates to services not provided by the entity which renders the bill. This area of possible regulation by the Commission is likely to result in carriers such as PMT discontinuing billing services for other entities since there is no efficient means to obtain and provide more information about the charges which are passed through to the customer. It is far more efficient for PMT to decline to function as a billing service than it is to pursue details about each charge it is contracted to bill for another entity. The customer is not prejudiced by the current arrangement if a charge is disputed; importantly, PMT does not pursue collection of any charge from another entity which is disputed by a customer. Instead, at the customer's request, a disputed item is removed from the bill, and the party which initiated the charge is notified of the

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<sup>1</sup>/NPRM at para. 22, fn. omitted.

customer's non-payment. All responsibility for further billing and collection is returned to the party which initiated the charge.

5. The Commission's concern about "cramming" is understandable, but the LEC which is at the end of the billing chain should not bear the responsibility for accounting for a charge from another service provider which is disputed. If the Commission nevertheless places the responsibility on the LEC to explain a charge unrelated to the LEC service, PMT and many other LECs surely will discontinue billing services for other parties. The customer will no longer have the convenience of writing one check to pay charges from multiple service providers. And LECs will forfeit a small but important source of revenue which is currently available.

**Proposed Rules for the Organization of Telephone Bills on a Monthly Basis Involve Expenses For LECs Which Must Be Recovered From Consumers**

6. The NPRM proposes that telephone bills provide consumers with clear and conspicuous notification of any changes or new charges in their bills, such as a separate page which highlights any changes in the consumer's service status information or new charges since the consumer's last bill. PMT expects that such a requirement would be expensive and burdensome for carriers to implement. To provide such information to customers would require the development of a new database to track such information. The cost of compiling and maintaining such a database would be expensive, and small and rural carriers such as PMT would have no choice but to attempt to recover the cost from their subscribers. Typically, LECs and their billing contractors do not have databases which support a presentation of the types of summary information the FCC is proposing be provided to customers. To require a complete overhaul of these systems is unreasonable and

places a roadblock to competition, particularly where service offerings to rural areas are a marginal proposition at best.

7. The ability of any telecommunications carrier to satisfy its customers is essential to the success of that carrier. While the Commission is concerned that customers desire changes to their telephone bills, it is the obligation of PMT to satisfy its customers on a daily basis. This involves establishing procedures which are sufficient for the customer to obtain the billing information he or she needs at a reasonable cost to PMT. The concern, however, is that the Commission will prescribe mandates for billing format which will be unduly burdensome for LECs to meet (particularly small and rural LECs which often times do not have the financial means to prepare their own billing in-house) and thereby will hamper a LEC's ability to compete effectively in its service area. Ultimately, it is better to rely on the customer-carrier relationship and allow the customer to contact its service provider with any questions about its bills. The carrier is pleased to respond to any inquiries and desires to satisfy its customers in all instances. Otherwise its customers will find alternative service providers, either landline or wireless, whenever possible.

8. Several of the proposed organizational changes would result in additional pages to the customer's bill. As set forth in the NPRM, the FCC proposes the following newly added pages: separate pages to present separate categories of service within the telephone bill, separate page(s) to summarize the current status of the customer's services, including the identity of the consumer's presubscribed carriers and service providers, and separate page(s) to indicate any status changes occurring within a telephone bill on a monthly basis, such as changes to presubscribed carriers and

explanations of any new types of line item charges appearing on the bill for the first time. These suggested additional pages would greatly increase the size of each customer's bill. Not only does the size of the bill and the additional information required create a burden on the carrier, it also further complicates the bill for the customer. Additional pages every month would not necessarily make a bill clearer to a customer, but rather overwhelm them with additional information which may confuse the average consumer. PMT believes that virtually all customers would simply discard all but the portion of the bill which states the total amount due.

**Distinguishing Deniable and Non-Deniable  
Charges On Customer Bills Is Burdensome to LECs and Counterproductive**


9. The Commission invites comment on whether or not telephone bills should differentiate between "deniable" and "non-deniable" charges. PMT is concerned that such a distinction, although well intended by the Commission, would result in a situation where a higher percentage of customers would elect not to pay certain charges. They could do so without concern that their service would be disconnected. PMT anticipates problems from such a procedure. If consumers consider the payment of some charges to be optional some will routinely not pay their bills with the assurance that their service cannot be disconnected. The result is a new and significant burden on service providers to manage ongoing outstanding balances by their customers. This becomes even more complicated where the customer fails to pay charges that are passed through from other service providers on the carrier's bill. PMT would be obligated to assume a new realm of collection responsibilities, and ultimately would suffer the majority of financial harm from non-payment of legitimate charges purely because the consumer deemed the charges to be "optional."

Small and rural area service providers such as PMT suffer an even greater level of burden and financial harm under these circumstances simply due to their small size.

For the reasons explained, PMT requests that the Commission avoid action in this rule making proceeding which places new, and unnecessarily burdensome and costly, obligations on local exchange carriers. PMT submits that is far more beneficial to consumers for the Commission to issue guiding principals, as opposed to specific requirements, for billing format to give LECs flexibility in their billing formats.

Respectfully submitted,

**PROJECT MUTUAL TELEPHONE  
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November 13, 1998

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**CERTIFICATE OF SERVICE**

I, Loren Costantino, an employee in the law offices of Lukas, Nace, Gutierrez & Sachs, Chartered, do hereby certify that I have on this 13<sup>th</sup> day of November, 1998, sent by hand-delivery, a copy of the foregoing Comments to the following:

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